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1963-64 WORLD SUGAR

CROP AT HIGH LEVEL

The 1963-64 world production of centrifugal sugar is now estimated by the Foreign Agricultural Service at 59.5 million short tons. This compares with an estimate of 59.4 million made in a USDA Press Release of March 5, 1964, and a first official USDA estimate in November 1963 of 58.7 million tons. This is the second largest crop of record, exceeded only by the 60.1 million tons produced in 1960-61. It is 4.6 million tons higher than the 1962-63 crop which was curtailed by adverse weather, especially in Europe.

The Free World accounted for most of the increase in 1963-64, as production was up 4.3 million tons from 1962-63. In the Sino-Soviet Bloc, including Cuba, production amounted to 16.7 million tons, only 0.3 million tons above the preceding year. Production in the USSR was down 100,000 tons from 1962-63 and 670,000 from 1961-62.

Production of cane sugar in 1963-64, at 34.2 million tons, accounted for 57.5 percent of the total, while sugarbeets accounted for 25.3 million tons and 42.5 percent. Increases in 1963-64 for both beet and cane sugar were made in almost proportionate amounts.

Sugar production in North America for 1963-64 is now estimated at 15.7 million tons. The South American crop is estimated at 7.1 million tons, with Brazil accounting for one-half of this. A substantial increase was made in Western Europe, as weather conditions were much more favorable than in the two previous seasons. Most of the East European crops turned out better than expected earlier in 1963-64. African production continued its upward trend, and the Asian crop was up 1.2 million tons from 1962-63. Production of noncentrifugal sugar totaled 6.9 million tons in 1963-64.

This circular contains more detailed information than the summary of similar title published in the World Agricultural Production and Trade Statistical Report of June 1964.

Notes on Selected Countries

The primary criteria used for selecting the countries shown is the level of production. However, some countries falling below the production criteria are included because of a rapid increase in production aimed at self-sufficiency or exporter status.

North America

Mexico. Production continues to rise in Mexico. The 1963-64 output was 10 percent above 1962-63; a combination of expanded acreage and higher yields, through better cultural practices, accounted for this increase. Although the State of Veracruz still accounts for half of Mexico's crop, new cane areas are being opened in other parts of the country. Plans for the modernization and expansion of the entire industry are moving ahead. A new mill in San Luis Potosi State began production on March 12, 1964, and eight additional mills are to be constructed in other States. Five of these will be built by the government and organized as cooperatives; the other three will be privately owned and operated. If the plans are fully implemented, Mexico will have by 1970 a production of 3.3 million tons, enough to take care of its growing domestic needs and provide considerably larger quantities for export.

United States. U.S. sugar production in 1963-64, including Hawaii, Puerto Rico, and the Virgin Islands, totaled 6.5 million short tons, an alltime record and nearly 17 percent above 1962-63. Although all sectors of the U.S. sugar industry showed increases over the previous year, mainland beets and cane accounted for most of the rise. This increase reflects the removal of restrictions on production of domestic sugar. Further, there are no acreage restrictions in effect for mainland cane or beets in 1964. The acreages of mainland cane and beets planted for the 1963-64 crop were 482,000 and 1,288,000, respectively. Planted acreage for 1964-65 is reported to be up by 19 percent for mainland cane and 9 percent for sugarbeets.

Cuba. The 1963-64 production is estimated at 4.0 million tons compared with 4.2 million in 1962-63. Hurricane Flora, which struck in October 1963, damaged the crop. Although no quantitative estimate for 1964-65 is being made at this time, there may be some increase in production next year. The Cuban Government has announced a target of 10 million tons by 1970.

Dominican Republic. Production in 1963-64 is up from the previous year, which was marked by labor difficulties. There is a good potential for larger production in this country.

South America

Argentina. The 1963-64 sugar outturn was 27 percent above the previous year's level and the highest since 1958-59. The increase reflected high yields of cane per acre, as well as a good sucrose content. Prospects are good for another large crop in 1964-65, as the planted area was expanded about 10 percent

this year, and weather conditions thus far have been satisfactory. Sixty-five percent of the 1963 exports were to the United States. Stocks were low at the beginning of 1963-64, as a result of heavy shipments. This caused some delay in subsequent exports.

Brazil. Drought damage in Sao Paulo State held back expansion in this country's sugar industry, keeping output at about the 1962-63 level. In 1964-65, production is expected to gain by 5 to 10 percent. Faced with a growing domestic consumption of sugar, Brazil is attempting to increase output. This is to be accomplished partially by diverting coffee acreage to sugar; out of a total of 50 new sugar mills planned to be constructed between now and 1971, 29 will be built in coffee producing areas. Even if the production goal of 6.6 million tons by 1971 is reached, about 80 percent of it probably will be needed to satisfy domestic requirements.

Colombia. A large diversion of cane, originally planned for white sugar production, to the output of panela (unrefined brown sugar) resulted in the 1963-64 production of centrifugal sugar declining 12 percent below the previous year. The diversion was triggered by a more favorable price for panela. This unique situation has prompted the planting of cane specifically for the production of panela; this should limit the amount of diversion in the future. The government has made large loans to farmers to expand cane production, and a number of mills are increasing their capacity. The Cauca Valley of Colombia has natural advantages for growing sugarcane.

Peru. A slight increase in the harvested area, coupled with favorable weather conditions and adequate water for irrigation, provided Peru with a record centrifugal sugar output in 1963-64. A significant amount of capital has been invested in facilities that service the sugar industry; i.e., irrigation systems, fertilizer plants, and plants for the manufacture of sugar byproducts.

Venezuela. Production is about equal to consumption. Expansion programs are expected to be aimed at fulfilling 1969-70 consumption requirements and allowing for nominal exports.

West Europe

France. The 1963-64 production of sugar was 25 percent above the 1962-63 figure. Favorable growing conditions during the season offset bad weather during the planting season. The 1964 beet plantings are 12 percent above last year. They would have been even larger except for inadequate seasonal labor needed for beet production and excessive rainfall in some production areas.

West Germany. An alltime record production of sugar in 1963-64, coupled with only a slight increase in domestic consumption, resulted in West Germany's reaching self-sufficiency in sugar this season. The record 1963-64 crop reflected a small expansion in acreage and a substantial increase in beet yields. The sugarbeet area is 6 percent above 1963's.

Italy. Despite a slight increase in sugarbeet acreage, the 1963-64 production of sugar was approximately 8 percent below that in 1962-63 and 21 percent below the 1955-59 average. This reduction reflected a very low sucrose content. Although the government is attempting to encourage sugarbeet production, notably through an increase in the price for beets, the future of the industry remains clouded. Growers are faced with rising production costs, labor shortages, and other basic problems.

United Kingdom. Although the 1963-64 output of beets was below the previous season's, the sucrose content was quite high; thus, the output was up 6 percent from 1962-63. An outstanding feature of the sugar situation is the high rate of imports; in calendar year 1963, they were about 16 percent above the previous year's. These imports are being used to replenish the country's stocks, which were drawn down heavily after the poor 1962-63 domestic beet crop.

East Europe

Czechoslovakia. The trend of sugar production is upward. Present indications, however, point to little change in acreage for the 1964-65 crop.

Poland. The 1963-64 crop showed a sizable increase over the previous year, though it did not reach the level of 1961-62. Additional plantings should expand future production of this fairly important sugar exporter.

USSR. Production in 1963-64 almost equaled that of the previous season. Dry weather reduced yields, but some of the beets originally earmarked for feed reportedly were diverted to factory sugar. The government has announced a significant increase in this year's plantings. Plantings were delayed this year by the late spring, although not to the extent experienced in 1963. Based on available information and assuming average weather for the balance of the summer and fall, an increase of about 15 percent in this year's crop now appears likely.

Africa

Kenya. Rainfall and temperature conditions are not ideal for sugar growing in Kenya, however, in the Nyanza and coast regions some production is carried on. Sugar is still one of the largest of Kenya's imports, although the government plans self-sufficiency by 1970.

Malagasy Republic. At the present time, production is limited to the northern portion of the country, where the refineries are located. There are areas, however, over much of the island suitable for sugarcane production.

Republic of South Africa. With mills in both South Africa and Swaziland operating at near capacity, the Republic's total sugar production in 1963-64 reached an alltime high. Further production increases are likely as the industry looks to greater overseas marketings. Extensive bulk handling facilities are being erected in the Durban port area to promote this trade.

Tanganyika. This country has been successful in its attempt to expand sugar production. An increase last year came from the development at Kilombero, although the Arusha Chini factory also increased production.

Egypt. The government is making every effort to expand sugarcane cultivation; this will be helped along by the irrigation of additional land by the High Dam. Plans call for an output of nearly 1.1 million short tons by 1970, of which about 75 percent would be for domestic consumption and the remainder available for export.

Uganda. Sugar estates are expanding their acreage by planting the land belonging to peasant farmers and sharing with the farmers profits realized from the sugar. In 1963, Uganda exported sugar overseas for the first time.

Asia

India. Although the 1963-64 sugar output (including Khandsari) did not reach the target originally set by the government, it was 16 percent higher than the previous year and 26 percent above the 1955-59 average. However, it was below the 1960-61 and 1961-62 crops. The major reason for not reaching the target is the increased diversion of cane from white sugar factories to gur (native brown sugar) producers. Government efforts to curtail this diversion have had limited success, as the gur producers offer prices which, because of their rigid cost structure, white sugar producers cannot meet. Currently underway is a government-sponsored survey of the entire industry, aimed at increasing the production of centrifugal sugar and the efficiency of the industry.

Indonesia. The 1963-64 sugar output is up 12 percent from the 1962-63 mark and reverses, at least temporarily, the downward trend of recent years in Indonesia's sugar production. Although the 1963-64 outturn was below the commonly accepted minimum amount necessary to meet domestic consumption, Indonesia exported sizable quantities during this season. Heavy competition for cane land continues, and in the absence of realistic incentives to cane producers, there is little likelihood of any substantial immediate further increases in production.

Japan. Expansion of beet sugar production is expected to be slow, and cane sugar production continues at a very low level. Imports still account for about 80 percent of requirements. In 1963, imports from Thailand and India increased, while those from Cuba declined sharply. Poland, the Dominican Republic, Brazil, and Argentina also supplied less than in the previous year.

Philippines. A new record for sugar production was set in 1963-64. Information received after the preparation of these estimates, indicate that production may be slightly lower than shown in this report. To meet this increasing production and to facilitate further increases in the future, the country's milling capacity is being expanded. A number of mills are being erected by cane planters' associations. In turn, planters are increasing their acreage to assure these mills an adequate supply of cane. Virtually all of the Philippine sugar exports in recent years have been to the United States.

Taiwan. Sugar production declined in 1963-64. The industry is faced with intensive competition for the country's limited available land suitable for sugar. The opportunity for future expansion depends on the industry's ability to offer growers sufficiently attractive incentives.

Thailand. Acreage increased by 35 percent in 1963-64. The outlook is for further expansion, and some land now devoted to tapioca will probably be put back into sugarcane. Thailand is already more than self-sufficient in sugar.

Turkey. The output of sugar in 1963-64 rose 21 percent over 1962-63. Currently, Turkey's sugar industry is making significant increases in its production capacity. Under the original plans, domestic production was to increase at the same rate as domestic consumption. However, plans have been revised to allow production to expand at an even faster rate to permit some exporting.

Oceania

Australia. A low per-acre yield of cane, coupled with a reduced sucrose content, caused a 4-percent reduction in the 1963-64 sugar crop. With a view to expanding marketings, the sugar industry has a planned program to substantially increase production. Indications are that this plan will be successfully implemented. Approximately two-thirds of Australia's sugar output is exported.

Outlook for 1964-65

The USDA does not make its first official estimate of 1964-65 world production until November. However, current indications point to an alltime record crop — by a wide margin. This appears certain unless there should be particularly adverse weather in the major producing countries during the remainder of the summer or fall.

The coming crop may be 6-7 percent above 1963-64. The increase is expected to be about evenly divided between the Free World and the Bloc, including Cuba. If the expected increase materializes, this will bring about an easing in the world supply position, permitting some rebuilding of inventories from the current low levels. The forces already in motion also should bring about further increases beyond 1964-65.

NONCENTRIFUGAL SUGAR 1/: Production in specified countries, average 1955-56 through 1959-60, annual 1961-62 through 1963-64 2/

Continent and country	Average			
	1955-56	1961-62	1962-63	1963-64 3/
	through 1959-60			
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
North America:				
El Salvador.....	30	22	27	27
Guatemala.....	70	40	40	40
Mexico.....	147	132	132	132
Nicaragua.....	25	23	23	23
Panama.....	4	4	15	15
Total.....	276	221	237	237
Asia:				
Burma.....	160	168	174	168
China: Mainland.....	545	242	242	242
Taiwan.....	24	24	24	24
India.....	3,950	4,032	4,299	4,079
Indonesia.....	303	345	331	331
Japan.....	26	23	20	19
Pakistan.....	1,258	728	728	672
Philippines.....	70	41	50	50
Thailand.....	50	138	143	154
Vietnam.....	21	37	35	35
Total.....	6,407	5,778	6,046	5,774
South America:				
Colombia.....	486	650	675	715
Ecuador.....	26	40	40	40
Peru.....	30	28	22	32
Venezuela.....	71	70	72	72
Total.....	613	788	809	859
Total of above countries.....	7,296	6,787	7,092	6,870

1/ Noncentrifugal sugar includes all types of sugar produced by other than centrifugal process which is largely for consumption in the relatively few areas where produced. The estimates include such kinds known as piloncillo, panela, papelon, chancaca, rapadura, jaggery, gur, muscovado, panocha, etc.

2/ Years shown are crop-harvesting years. For chronological arrangement here, all campaigns which begin not earlier than May of one year, nor later than April of the following year, are placed in the same crop-harvesting year. The entire season's production of each country is credited to the May/April year in which harvesting and sugar production began.

3/ Preliminary.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, other foreign source materials, reports of U.S. Agricultural Attaches and Foreign Service Officers, results of office research and related information.

CENTRIFUGAL SUGAR (raw value) 1/: Production in specified countries, average 1955-56 through 1959-60, annual 1961-62 through 1963-64 2/

Continent and country	Average			
	1955-56	1961-62	1962-63	1963-64 <u>3/</u>
	through 1959-60			
	1,000	1,000	1,000	1,000
	short tons	short tons	short tons	short tons
North America (cane unless otherwise indicated):				
Canada (beet).....	151	141	153	173
Mexico.....	1,380	1,647	1,870	2,070
United States				
Continental (beet).....	2,088	2,404	2,598	3,100
Continental (cane).....	572	858	853	1,185
Hawaii.....	1,013	1,120	1,120	1,150
Puerto Rico.....	1,036	1,009	990	1,050
Virgin Islands of the U.S.	11	11	11	15
British Honduras.....	12	29	31	38
Costa Rica.....	44	76	96	114
El Salvador.....	51	73	68	77
Guatemala.....	70	133	152	170
Honduras.....	17	26	30	34
Nicaragua.....	61	89	111	123
Panama.....	25	30	41	55
Cuba.....	5,883	5,308	4,211	4,000
Dominican Republic.....	883	939	850	970
Guadeloupe.....	146	209	185	187
Haiti.....	61	64	67	70
Jamaica.....	419	486	542	533
Martinique.....	83	98	102	70
West Indies				
Barbados.....	183	177	214	190
Leeward and Windward Islands <u>4/</u>	94	78	76	71
Trinidad and Tobago.....	205	225	255	256
Total North America.....	14,488	15,230	14,626	15,701
South America (cane unless otherwise indicated):				
Argentina.....	906	754	858	1,141
Bolivia.....	11	55	54	72
Brazil.....	3,110	3,934	3,576	3,564
British Guiana.....	330	365	355	344
Chile (beet).....	40	73	81	118
Colombia.....	297	381	449	397
Ecuador.....	93	137	149	123
Paraguay.....	30	35	38	43
Peru.....	800	858	907	926
Surinam.....	10	11	12	13
Uruguay (beet and cane).....	27	51	57	44
Venezuela.....	205	271	292	321
Total South America.....	5,859	6,925	6,828	7,106
Europe (beet unless otherwise indicated):				
Austria.....	282	231	286	356
Belgium and Luxembourg.....	393	500	383	401
Denmark.....	353	243	225	403
Finland <u>5/</u>	38	65	41	53
France.....	1,571	1,878	1,791	2,248
Germany, West.....	1,590	1,576	1,635	2,235
Greece <u>6/ 7/</u>	0	3	29	45
Ireland.....	126	151	148	158
Italy.....	1,271	1,082	1,099	1,007
Netherlands.....	490	645	503	461
Portugal				
Azores and Madeira.....	13	20	20	20
Spain (cane and beet).....	470	651	529	448
Sweden <u>5/</u>	314	358	239	262
Switzerland.....	40	39	33	50
United Kingdom.....	818	990	836	889
Total West Europe.....	7,769	8,432	7,797	9,036
Albania <u>7/</u>	12	14	14	12
Bulgaria <u>7/</u>	137	220	169	170
Czechoslovakia <u>7/</u>	860	1,242	1,112	1,191
Germany, East <u>7/</u>	804	878	790	822

- Continued

CENTRIFUGAL SUGAR (raw value) 1/: Production in specified countries, average 1955-56 through 1959-60, annual 1961-62 through 1963-64 2/--Continued

Continent and country	Average	1961-62	1962-63	1963-64 3/
	1955-56 through 1959-60			
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
Europe - continued				
Hungary.....	332	417	468	515
Poland.....	1,152	1,808	1,464	1,569
Rumania.....	244	452	337	360
Yugoslavia.....	219	257	272	375
Total East Europe.....	3,760	5,288	4,626	5,014
Total Europe.....	11,529	13,720	12,423	14,050
USSR (Europe and Asia).....	5,632	7,170	6,600	6,500
Africa (cane unless otherwise indicated):				
Ethiopia.....	35	72	69	70
Egypt.....	340	393	381	479
Congo (Leopoldville).....	31	34	35	40
Kenya 7/.....	29	38	39	44
Tanganyika 7/.....	28	34	44	58
Uganda 7/.....	89	113	124	140
Malagasy Republic.....	55	102	102	126
Mauritius.....	612	605	587	755
Mozambique.....	165	182	203	200
Reunion.....	219	250	225	280
Southern Rhodesia.....	9	40	94	139
South Africa, Republic of 8/.....	989	1,174	1,276	1,359
Other Africa.....	93	148	161	163
Total Africa.....	2,694	3,185	3,340	3,853
Asia (cane unless otherwise indicated):				
Iran (beet and cane).....	119	160	180	198
Turkey (Europe and Asia) (beet).....	408	518	467	565
China, Mainland (cane and beet).....	836	700	900	1,150
Taiwan.....	963	948	873	809
Burma.....	38	66	72	61
India 2/.....	2,737	3,693	2,979	3,452
Indonesia.....	903	709	648	725
Japan (beet; incl. cane beginning 1959-60).....	86	178	225	243
Pakistan.....	174	157	223	285
Philippines.....	1,356	1,618	1,714	1,971
Thailand.....	102	177	147	189
Other (cane and beet).....	111	244	375	377
Total Asia.....	7,833	9,168	8,803	10,025
Oceania (cane):				
Australia.....	1,428	1,512	2,000	1,925
Fiji.....	210	183	273	331
Total Oceania.....	1,638	1,695	2,273	2,256
World total (cane).....	29,388	32,459	31,865	34,192
World total (beet).....	20,285	24,634	23,028	25,299
World total (cane and beet).....	49,673	57,093	54,893	59,491

1/ Centrifugal sugar, as distinguished from noncentrifugal, includes cane and beet sugar produced by the centrifugal process, which is the principal kind moving in international trade. 2/ Years shown are crop-harvesting years. For chronological arrangement here, all campaigns which begin not earlier than May of one year, nor later than April of the following year, are placed in the same crop-harvesting year. The entire season's production of each country is credited to the May/April year in which harvesting and sugar production began. 3/ Preliminary. 4/ Includes Antigua, St. Kitts, St. Lucia and St. Vincent. 5/ Beginning with this issue, excludes sugar from imported beets. 6/ No sugar produced prior to 1961-62. 7/ Production relates to calendar years for the first of the two years indicated in crop-year heading. 8/ Includes Swaziland. 9/ Includes Khandasari.

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